

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re

HOSPITAL DAMAS INC.

Debtor

CASE NO. 10-08844 MCF

Chapter 11

**APPLICATION FOR APPROVAL OF EMPLOYMENT OF LOCAL COUNSEL
FOR THE UNSECURED CREDITORS COMMITTEE**

TO THE HONORABLE COURT:

COMES NOW the Unsecured Creditors Committee (the “Committee” or “UCC”) as applicant in this matter, and respectfully seeks the approval of the employment of the law firm of EDGARDO MUÑOZ, PSC to act as local counsel designated under Local Rule 2090-1 in the above captioned Chapter 11 case. In support thereof, the undersigned states as follows:

1. On September 24, 2010 the above captioned debtor filed its voluntary petition under Chapter 11. Pursuant to said Chapter of the Bankruptcy Code the debtor continues to manage its properties and operate its business as a debtor in possession.

2. On October 5, 2010, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed three creditors to serve on the Committee in connection with this chapter 11 case. (Dkt. 34) On October 7, 2010, the United States Trustee appointed two additional creditors to serve on the Committee. (Dkt. 40)

3. The members of the Committee are: (i) Rimaco, Inc.; (ii) Puerto Rico Hospital Supply, Inc.; (iii) Laboratory Corporation of America; (iv) Ciracet Corp.; and (v) Borschow Hospital & Medical Supplies, Inc.

4. The Committee needs the services of an attorney to properly conduct its affairs and comply with its duties in the above captioned bankruptcy case.

5. On October 13, 2010, the Committee, in the exercise of its powers and the

performance of the duties conferred upon it pursuant to section 1103 of the Bankruptcy Code, selected Kilpatrick Stockton as its legal counsel together with Edgardo Muñoz, PSC as its local counsel.

6. On October 18, 2010, the Committee filed its Application requesting that this Court enter an order authorizing the Committee to retain and employ Kilpatrick Stockton LLP to render legal advice and services to the Committee as described therein. (Dkt.84)

7. Kilpatrick Stockton LLP is appearing *pro hac vice* . Pursuant to under Local Rule 2090-1, Kilpatrick Stockton has designated EDGARDO MUÑOZ, PSC as its local counsel.

8. Through this application, the Committee seeks court approval for said employment of EDGARDO MUÑOZ, PSC as its local counsel under Local Rule 2090-1.

9. To the best of the undersigned's knowledge:

- a. Edgardo Muñoz and his firm have disclosed in the attached verified statement their connection (if any) with the creditors, any party in interest, their attorneys, their accountants, the US Trustee, or the personnel of the US Trustee.
- b. Edgardo Muñoz nor his firm represent or hold any interest adverse to the debtor or the estate.
- c. Edgardo Muñoz and his firm are aware that they may not share or agree to share the compensation or reimbursement received for the services provided in this case pursuant to 11 USC 504 except as provided by law.

10. The terms of compensation agreed to are as follows: \$275 per hour plus costs and expenses. The hourly rates are subject to change to account for ordinary increases of the rates, but subject to prior notice thereof.

11. Any compensation to be received is subject to the court's approval upon proper application and compliance with applicable notice requirements.

12. Upon a similar request by debtor-in-possession, and upon the same grounds stated therein (See docket 7, ¶5, and docket 42), your applicant requests that the proposed professional be allowed to file the applications for interim compensation every 60 days.

13. A verified statement by the proposed professional and his Curriculum Vitae are attached to this application.

14. A copy of this application is being served upon debtor and the US Trustee's office pursuant to applicable notice requirements.

WHEREFORE, debtor respectfully requests that the Honorable Court enter an order approving the employment of Edgardo Muñoz, PSC pursuant to Section 1103(a) of the Bankruptcy Code to act as local counsel under Local Rule 2090-1 for the firm of Kilpatrick Stockton LLP as set forth in the foregoing document.

RESPECTFULLY SUBMITTED.

DATED: October 19, 2010

UNSECURED CREDITORS COMMITTEE

BY: /s/ SERGIO RAMIREZ DE ARELLANO

SERGIO RAMIREZ DE ARELLANO
CHAIRMAN

NOTICE OF RESPONSE TIME

Pursuant to Local Rule 9013-1, within fourteen (14) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were

served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (I) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

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VERIFIED STATEMENT OF ATTORNEY

I, Edgardo Muñoz of Edgardo Muñoz, PSC do hereby CERTIFY under penalty of perjury that to the best of my knowledge, information and belief, the following is true and correct.

1. The undersigned is an attorney admitted to practice before the courts of the Commonwealth of Puerto Rico, the U.S. District Court for the District of Puerto Rico, and the Court of Appeals for the First Circuit and is a member in good standing of the bar of said courts.

2. To properly carry out its duties under the Bankruptcy Code, the UCC has selected the services of Kilpatrick Stockton LLP as its attorneys and of Edgardo Muñoz, PSC as its local counsel as set forth in the foregoing application. The undersigned represents to be qualified to render the services for which the firm is being selected.

3. The undersigned has read the foregoing application and states that to the best of his knowledge and belief the same is true and correct in its facts and its law.

4. In compliance with Rule 2010, FRBP, and LBR 2014-1, the undersigned makes the following disclosures under penalty of perjury. To the best of his knowledge and belief :

1. Neither he nor the firm of Edgardo Muñoz, PSC represent or hold any interest adverse to the estate of the above-debtor.
2. The undersigned nor its firm have any connection with the creditors, parties in interest, their attorneys, their accountants, the US Trustee and the personnel of the

US Trustee, except as set forth below:

The undersigned was of-counsel in the firm of García & Fernández until December 31, 2009, when said relationship was concluded. The firm of García & Fernández has represented creditor Westernbank in matters wholly unrelated to the case at bar and the above captioned debtor. In the course of its past relationship with García & Fernández, the undersigned rendered services to the creditor mentioned above and to the Insurance Commissioner of Puerto Rico in matters totally unrelated to this case.

3. He and the firm of Edgardo Muñoz, PSC are disinterested persons within the meaning of 11 USC 101.
4. The undersigned and the firm of Edgardo Muñoz, PSC have not agreed to share with any person, except members of said firm, any compensation to be paid for the services rendered in this case.
5. The terms of compensation agreed to are as follows: \$275 per hour plus costs and expenses. The hourly rates are subject to change to account for ordinary increases of the rates, but subject to prior notice thereof.
6. The undersigned states that this statement will be amended upon learning that:
 - a. any of the representations made herein are incorrect; or
 - b. that there is any change of circumstances relating thereto.
7. The undersigned states that he has reviewed the provisions of LBR 2016-1.
8. A copy of this application for employment is being served upon the US Trustee pursuant to Federal Rule of Bankruptcy Procedure 2014-1.
9. This Verified Statement is provided in compliance with Federal Rule of Bankruptcy Procedure 2014-1 for the purpose described in the foregoing application for employment of attorney with compensation to be allowed upon prior application, notice and hearing thereon as required by law.

I HEREBY CERTIFY under penalty of perjury pursuant to 28 USC 1746, that the foregoing is true and correct to the best of my knowledge and belief.

I HEREBY CERTIFY that on this date I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the participants appearing in said record, including the US Trustee; additionally, on this date, a copy of the application was served on the US Trustee at Ochoa Bldg, 500 Tanca St, Suite 301, Old San Juan PR 00901, and to debtor's counsel at Charles A Cuprill PSC Law Office, 356 Calle Fortaleza, Second Floor, San Juan, PR 00901.

DATED: October 19, 2010

EDGARDO MUÑOZ, PSC
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s/ **EDGARDO MUÑOZ**
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EDGARDO MUÑOZ concentrates his practice in bankruptcy cases, representing creditors, trustees and business debtors. Mr. Muñoz served as law clerk in the Bankruptcy Court for the District of P.R. until 1986. Since 1989, he has been teaching bankruptcy law at the Inter American University School of Law and has lectured on courses and seminars sponsored by IAU, the Federal Bar Association, Puerto Rico Bar Association, the Puerto Rico Bankruptcy Bar and the National Business Institute.

Mr. Muñoz is admitted to practice before the courts of first instance, and the Supreme Court of Puerto Rico (1978), the U.S. District Court for the District of Puerto Rico (1979), and the Court of Appeals for the First Circuit (1984). He was Board Certified (Business Bankruptcy Law) by the American Bankruptcy Board of Certification in 1994.

He has also practiced (*pro hac vice*) before the US Bankruptcy Court and US District Court for the Middle District of Florida, and has represented parties before US Bankruptcy Courts: Southern District NY, District of New Jersey-Newark Division, and Northern District of Illinois.

Mr. Muñoz received his B.A. degree, *magna cum laude*, from the University of Puerto Rico (1975) and his J.D. degree, *cum laude*, from the University of Puerto Rico School of Law (1978). Upon graduating from law school, he worked as staff attorney with the Migrant Division of PR Legal Services, Inc. (1978-1984); served as law clerk for US Bankruptcy Judge WH Beckerleg (1984-85), and US Bankruptcy Judge AH Hernández (1985-86). Mr. Muñoz then joined the firm of García & Fernández as associate (1986-1991) and counsel (1991-2009). Mr. Muñoz has been employed as adjunct professor by the Inter American University School of Law (1989-present) teaching the bankruptcy law course.

Mr. Muñoz has served as Vice-President of the P.R. (1991-92) Bankruptcy Bar Association, as a member of the Bar Admission Examination Committee designated by the Puerto Rico Supreme Court in charge of drafting Civil Law questions for the bar exam (1989), and was appointed in 1991 to the Local Bankruptcy Rules Committee by the US Bankruptcy Court for the District of P.R. He was also appointed to the 2010 Local Bankruptcy Rules Committee by the Hon. Brian K. Tester.

More information available at:

<http://www.emunoz.net>